

# Governor's Executive Message



**Governor Joe Manchin III**  
**State of West Virginia**

Working together, with the support of many of the state's top business and labor leaders, we took the bold steps necessary to show the nation that West Virginia is serious about getting our house in order and our people back to work.

The effort made by this Legislature was unprecedented in its scope. You allowed me the opportunity, as Governor, to begin to reorganize the executive branch of state government with the goal of being more accountable for our actions and more coordinated in our economic development efforts.

You took responsibility for managing the state's long-term pension debts in a common-sense way that provides the ultimate protection for our retirees. A vote on the management of these debts will be held this summer, and I cannot stress enough how important it is that you and your family members support and vote in favor of establishing a fixed mortgage payment to pay off our unfunded liabilities. This will not cost you or the state one more penny; on the contrary, it will save the state hundreds of millions of dollars, and it will pave the way at long last for economic stability and security for our children and grandchildren.

You had the courage to strengthen our state's ethics laws, holding yourselves to a higher level of accountability, in an effort to ensure that the people of this state can have the utmost confidence in their elected officials and those who do the work of the state.

And, most significantly, you tackled, once and for all, our workers' compensation debt—putting approximately \$160 million back into our economy by reducing every businesses premium starting next year by up to 15%, which will allow businesses to reinvest in new equipment and create more job opportunities.

I said going in that it wouldn't be easy—and it wasn't. The only choices we had were hard ones. But you made them and you made them decisively, and the working men and women of this state owe you a large debt of gratitude as a result.

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But there is much more to be done. As evidence of that fact, the budget that I present to you tonight has been cut by over \$75 million from the budget that was first compiled. Those were hard cuts to make, but they had to be done. And I am proud to say that they were done responsibly, not in an across the board fashion, but in targeted reductions made for specific and valid reasons. The people of West Virginia have made it clear that they will no longer tolerate a government that is out of step with the economy of this state. While I believe we are making great strides towards financial recovery in West Virginia, we are not there yet, and our government's budget should reflect that reality.

As I've said before, the work completed during the special session was just the beginning. During those six days, we lit a spark that will positively impact the lives of our children and grandchildren, but the full fire is yet to come.

It's time now for us to seize upon the momentum of the special session and build upon it.

I come to you tonight not only with budget cuts, but with an agenda that, once completed, will solidify the dawning of a new day in West Virginia. A new day not only for the families that live here, but for the companies that want to do business and create good jobs here. And we will make sure that every member of the Legislature is informed from the very beginning about the ins and outs of our proposals. Just like we did in the special session, we will come to you with a PowerPoint presentation that will explain our agenda from top to bottom. Some things we'll agree on and some we'll probably disagree on, but at least we'll start our discussions from the same page and never lose sight of our respect for each other.

### **PROMISES TO OUR CHILDREN**

I want my administration to be remembered for fighting hard everyday to keep five basic promises to our children.

**The first promise:** Every child should have a caring adult in their lives. And that's not always a biological parent or family member. It may be a friend or neighbor. Often times it is a teacher

**The second promise:** Every child should have a safe place. And that is not always their home. It could be their church and in more cases than not, it's their school, and I want to do all that I can to protect and support every one of our state's small, rural, community-based schools. For many of our children they are more than just places to learn; they are places to get a hot meal and some much needed positive attention, and we must make it our mission to help them meet those needs, because they are the hearts of our communities, and their survival is critical to our future success.

**The third promise:** Every child should have a healthy start. Just like children must be taught to read in order to be successful, they must also be taught the skills that will help them stay healthy throughout their entire life. That is why I am proposing a three part Healthy Start Initiative that will give our children the skills they need to fight the growing epidemics of childhood obesity, Type II Diabetes, and heart disease.

**The fourth promise:** Every child should have a marketable skill. There will never be another meeting under my watch without education and economic development working together. We need to do a much better job of educating our children about their career choices. As I've said many times, while every child needs some form of

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post-secondary education, not every child is meant to receive a four-year college degree. In fact, the demand for skilled blue-collar workers is now steadily on the rise. Therefore, some students would excel with a two-year community college degree or specialized technical school training, and we should give those options equal attention when talking with today's students.

In addition, we need to start thinking outside of the box when it comes to educational technology.

My wife, Gayle Manchin, has spent a large part of her career working in the education realm and so I have asked her to take the lead on developing a plan to improve our state's distance learning initiatives. With the technology available today, there is no reason why a student in Welch shouldn't have the exact same access to specialized class choices as a student from Wheeling or vice versa. It is yet another way for us to protect our small, rural, community-based schools while also ensuring that our children have access to the latest and greatest curriculum. A child's geographic location, race, or parent's income level should not predetermine their life's course and it's up to us to see that they don't.

**The fifth promise:** Every child should be taught to be a caring adult and be given an opportunity to serve their communities. As an example of the great work being done around the state in this regard we have with us tonight Dr. Ruthellen Phillips.

In addition to focusing on these five important promises, my administration will also develop initiatives to ensure we are treating all people in West Virginia with dignity and respect, no matter their lot in life physically, mentally, or economically. To that end, we will be continuing what was a very successful effort in the Secretary of State's office—the SHARES program—Saving History And Reaching Every Student. We have only scratched the surface of the good that can be accomplished through this program and within the next 90 days we will be announcing a new focus for SHARES that will take it to the next level.

And at the same time we devote resources to our youth, we must never forget the contributions of those who came before and paved the way for whatever success we've been able to achieve, both individually and collectively.

### **SENIOR CITIZENS**

I believe that the senior citizens of today have been overlooked as sources of strength, stability and vitality in our communities. And by too often discounting the value of seniors and the wisdom they offer, programs have been developed to assist seniors that do not truly address their very real needs and desires. As Governor, I intend to place greater emphasis on those programs, which help our seniors live in their own homes and stay active in their communities, such as in home nutrition programs. Too often, we pigeon hole our seniors and their needs and force them to live, as we want, not as they desire. By giving our seniors the assistance they need to stay in their communities and live with dignity in their own homes we are honoring our commitment to the greatest generation.

### **VETERANS/LAW ENFORCEMENT/SAFETY**

We must also never forget, or take for granted, the contributions of our state's veterans.

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As I am sure you are all aware, West Virginia is one of the most patriotic states in the nation—sending more of our men and women into battle in defense of our country's democracy than most other states. In addition, approximately 77% of all West Virginia National Guard members have been deployed since September 11, 2001 – nearly 4,800 soldiers and airmen. It is because of them and their sacrifices that we are able to meet freely here tonight.

Which is why we need to do a better job of taking care of the families of our military and national guardsmen, especially when a crisis occurs. I have instructed the Division of Veterans Affairs to install a support line specifically for these families: 1-800-WV-4-VETS. I want every military family in West Virginia that might be facing a problem due to the absence of their loved one to know that they have somewhere to turn. We're all one big family here in West Virginia, and we want to do everything in our power to help you just as your family members are doing everything in their power to help us.

I am also proposing that we follow the suggestion of New Mexico Governor Bill Richardson and add a check-off box on our state's tax returns in 2006 that would allow state tax refund recipients to divert their refund to provide emergency assistance to West Virginia military families whose loved ones have either lost their lives or been seriously wounded in the defense of our country. It is the least we can do to honor their sacrifice and I will be the first to sign up when the time comes.

And last but not least, I want to make sure that our returning veterans have the opportunity to return to our workforce as quickly as possible. To that end, I will soon be signing a resolution in support of the nationally recognized Helmets to Hardhats program. Helmets to Hardhats connects National Guard, Reserve, and transitioning active-duty military members with career training and employment opportunities in the building and construction trades. The program matches an individual's military experience with specific building trades' crafts and allows direct entry into the apprenticeship programs of affiliated construction unions. It's a good program and I am confident it will assist our veterans as they make the often difficult transition from military service back into our everyday world.

We also need to take a moment to acknowledge our state's police officers, firefighters and emergency workers. These men and women have always played a vital role in our state's security and emergency response, but during the past four years have been asked to do even more. With added homeland security pressures they are doing more with less every single day.

Unfortunately, they're also spending a large amount of time dealing with a new, senseless threat that has encompassed our state and others like the plague—methamphetamines.

It is long past time for us to put an end to the creation and use of meth labs. Not only do these volatile and often crude labs create illegal and highly addictive drugs, they endanger our towns and put at risk the lives of law enforcement personnel. They are also impacting the lives of our children with disastrous results. Therefore, I will propose legislation that will limit access to key ingredients used in the production of methamphetamines. Similar legislation in Oklahoma has already reduced the number of meth labs in that state by over 60%. For the sake of our families and our children, I am putting meth users on notice tonight that we are going to declare war on this drug and the dangerous, make-shift meth labs that are too often leading to tragedy.

Throughout the last decade, West Virginia has seen its share of natural devastation as well. Flooding and other natural disasters have plagued the Mountain State and have changed the lives of so many people. While each

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flooded home, business, school, or church is a significant burden upon the individuals and communities involved, West Virginians have been there to provide comfort and help to those affected. Volunteers have been the backbone of relief efforts, donating their time, energy, and money.

Prior to my inauguration, as news of the devastation left in the wake of the Southeast Asian Tsunami became apparent, I established the Disaster Recovery and Reconstruction Committee to address and expedite West Virginia's response to floods and other disasters. Currently, this committee is looking into establishing a nonprofit disaster response and recovery fund so that when a disaster strikes, I, as Governor, can immediately activate the account to receive contributions. We will work to ensure that money received will go directly to assisting the victims of the disaster.

If we do just the few things I've mentioned up to this point, we will have made progress in meeting the needs of West Virginians, but it's not nearly enough. If we are to build upon the monumental economic climate shift that was begun during the special session and create new jobs in the state of West Virginia, we must go much further.

### **WEST VIRGINIA: OPEN FOR BUSINESS**

My job creation plan, West Virginia: Open for Business, will be used as a blueprint for our economic development and job creation efforts. I will do everything in my power during the next four years to live up to my "Open for Business" commitments of saving the good jobs with healthcare benefits we already have and looking for ways to create many, many more.

But first we have to start with the basics and set some goals.

#### **Goal #1: Running state government like a business.**

I've already talked about the \$75 million that we have cut from my proposed budget, and almost the entire state is aware by now of my request for state agencies to simply answer the phone in a business-like manner something I take very seriously as numerous state employees have already discovered. But these initiatives are just the tip of the iceberg.

For example, one of the first key steps in running the state like a business is ensuring that our State Tax Department has the tools it needs to collect the taxes that are currently due so that we have the money necessary to meet our obligations. In business, you must invest in equipment and people in order to make a profit and so as CEO of the state, I propose we make a one-time investment of \$20 million dollars in a new integrated tax collection system that is estimated to increase our collections of existing taxes by \$18 million dollars each and every year going into the future.

In addition, we must address our pension systems. During the special session a week and a half ago, together, we took the steps to create a permanent fix to our pension challenges, but we must do more. I will submit a package of pension reform legislation that is fair to public employees, teachers, Troopers, and Judges but that is also fair to the taxpayers of this state. We must give every West Virginian confidence that we will never again allow this state to make promises it can't keep.

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We need to look closely at our community corrections programs. We've all seen the statistics: West Virginia has one of the fastest growing rates of incarceration in the country. The negative impact on community after community throughout the state is overwhelming in both actual dollar costs and the much harder-to-measure human costs.

That's where community corrections come in. Not only have these programs turned around the lives of certain nonviolent offenders making them productive, contributing citizens, but they have saved taxpayers millions of dollars.

That is why I am proposing that we place \$800,000 in the budget for the Division of Criminal Justice Services to help develop community corrections programs in other parts of the state.

### **Goal #2: Developing a seamless education system**

The State Constitution requires that we offer a "thorough and efficient system" of education for students from elementary through high school. The Constitution also requires us to pay for it.

However, the State Constitution does not require us to offer or pay for a system of higher education for students to attend after high school. During our history, we have wisely chosen to create a system of higher education, consisting of technical centers, community colleges, public colleges, and universities, and I believe these institutions are essential to our future. But because higher education is not a fundamental right under our state's Constitution, colleges and universities must continually demonstrate that the taxpayers' investment in higher education is worth it.

Tonight, I propose to remove the shackles from higher education and give them the flexibility to compete and succeed. We cannot stifle productivity and efficiency and then expect our colleges and universities to meet the challenges of the 21st century. Working with the Legislature, I want to give higher education the capacity to meet these challenges.

Our two largest universities, Marshall and West Virginia University, are keys to this competitiveness. Alone, each can accomplish much. Together, they can accomplish much more. At my direction, West Virginia University and Marshall University will be working in a new spirit of collaboration to promote the state's economic interests. We want WVU and Marshall to be rivals on the basketball court, and, yes, on the football field, but we also expect them to be partners in creating new jobs, conducting scientific research, and generating high-tech economic development. Let's help them and every other college and university in West Virginia by reducing over-regulation and increasing flexibility in higher education.

### **Goal #3: Providing quality, affordable healthcare to our citizens**

West Virginia's new Pharmaceutical Advocate will be charged with obtaining the lowest possible prescription drug prices for our state and its citizens. By combining, for the first time ever, the buying power of PEIA, Medicaid, CHIP, and the Department of Corrections we will save our state and its people tens of millions of dollars.

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We also need to begin the process of modernizing West Virginia's health care system and use the technology that already exists within our high tech consortium and biometrics industry to put critical health care information in the hands of doctors and caregivers at the time they need it most—when care is delivered. Why is it so easy to access our bank accounts using ATMs worldwide but we have trouble moving medical records from one health care provider to another?

Last year, the federal government laid out a plan to ensure that most Americans have personal electronic health records within ten years. I believe that West Virginia can serve as a model for health records partnerships that will pave the way for other states. We will lead the nation in making health care information more readily available to consumers so that they can make not only informed choices about their doctors and treatment options but also become more involved and responsible in their own care.

### **Goal #4: Encouraging counties and regions to work together.**

With the approval of the Legislature we will devote \$250,000 to provide assistance to the municipal and county consolidation efforts championed by Senator Brooks McCabe and the Commission on Governing in the 21st Century.

### **Goal #5: Promoting our state's workforce development efforts.**

We will coordinate statewide activities related to the development of our workforce—assisting individuals seeking employment and providing a trained/skilled workforce to existing and anticipated businesses in our state.

We will also create a business honor roll so that we take the time to recognize those West Virginia businesses, both small and large that continually train their workers, are good neighbors, pay their bills, and provide quality, good-paying jobs and health care to our citizens.

### **Goal #6: Preserving our state's small businesses.**

I want my legacy as Governor to include making West Virginia the Number One state for small business growth. Therefore, I will require our new Secretary of Commerce to devise an action plan specifically for growing our small business community, complete with defined outcomes that can easily be measured and tracked to show how the state will use all of its resources to save our existing small businesses and promote the creation of new ones.

### **Goal #7: Investing in our Infrastructure and Environment.**

I am committed to developing a Brownfields Cleanup Plan to ensure that we clean up and use previously developed land for new commercial development.

In many parts of the state, we already have the infrastructure in place to bring in new businesses. Land that was once used for commercial or industrial purposes that now sits idle is prime property for a company looking to relocate or expand in our state. West Virginia's Brownfields program is a powerful tool we have to create economic opportunity, sustainable development, and community-based partnerships.



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I am also committed to maximizing our water potential. It is unconscionable to me that in the year 2005, approximately 25% of West Virginia homes still have no access to a formal, clean water system and 45% of our population is not connected to a centralized public wastewater treatment system. How can we expect to be taken seriously as a potential business location if we aren't even taking care of the basic needs of our current citizens? This must change and it must change as quickly as possible.

In addition, West Virginia's water resources are plentiful and we need to continue to act now to keep it that way. Last year, you, the West Virginia Legislature, had the foresight to pass the Water Resources Protection Act, a measure that will help protect West Virginia's valuable water resources. As a result of that action, we will begin to know how much of our water is being used and for what purposes.

And, I am committed, to making our state truly shine. West Virginians take enormous pride in our state, which is demonstrated by the number of volunteers who help with cleanup programs year round. But I have discovered that these programs are scattered over different agencies, which just doesn't make sense. That is why I am proposing we house all cleanup and litter control initiatives under one comprehensive program. This program will be called "REAP: The Next Generation," which stands for Rehabilitation Environmental Action Plan.

The Adopt a Dump program, Adopt a Highway program, recycling assistance initiatives, the Make it Shine program, and the Youth Conservation Education program should fall under one umbrella in order to keep the state clean while maximizing our financial and human resources and eliminating redundancy.

As part of this new plan, Clean Streams West Virginia will be launched in the spring to encourage groups to clean up their local streams. Expect to hear a lot more about this new initiative in the coming weeks.

### **Goal #8: Improving our Overall Business Climate.**

First, let's talk about waiver provisions. I'm a big believer that one size doesn't fit all, especially when it comes to meeting the needs of our individual communities. West Virginia is a unique state with distinct regional economies. Just look at the differences between Huntington and Harpers Ferry. That is why I am proposing that we allow local governments throughout West Virginia a waiver program to explore new ways to govern at the municipal and county level and to give the rest of the state the benefit of learning from their experiences prior to making any statewide reforms. The waiver program would include tools that would allow local government operations and education decisions to be made based upon fairness, equity, and competitiveness.

Second, as part of our collective commitment to build a stable and attractive business climate, we also need to take reasonable steps to reform West Virginia's civil justice system. In doing so, we will stop frivolous lawsuits in the State of West Virginia once and for all. We must forge a middle course between the extremes on both sides of this debate and focus on the ultimate goal of our court system: the equitable and fair treatment of all parties. With that goal in mind, I will be proposing legislation that strikes a balance between protecting the right of an injured person to seek relief and the fundamental underpinning of American jurisprudence—that a party should be treated justly and be required to pay only its fair share.

As we make this commitment to improve our court system, it is right and our responsibility to ask insurance companies to make a commitment to ease the burden placed on hard working West Virginians. Under the



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leadership of Governor Wise and the Legislature, the state recently enacted significant reforms to address skyrocketing malpractice costs for our doctors. And these reforms have worked, cutting medical malpractice lawsuits significantly and reducing the total amount of paid verdicts and settlements by over 50%. The State of West Virginia has done her part, and now it is time to ask the insurance companies to do theirs. We must guard against unfair rate increases, cancellations, and nonrenewals for the working people of our state. We must work to enhance programs and implement controls that prevent fraud and abuse, and we must make West Virginia more marketable so that West Virginians will benefit from competition within the insurance market. Again, our objective is quite simply, fairness.

These eight goals are a great beginning in meeting my Open for Business commitments. So, let's get started.

What we do here during these next 60 days is so vitally important. Because it will set the stage for what happens in this state not only during the next year or four years, but, if all goes well, the next 20 years and beyond.

Mahatma Ghandi once said, we must become the change we want to see.

Well, we did just that during the special session. I have always said one person couldn't do it alone and a week and a half ago we gave West Virginia a glimpse of what is possible when we work together. We put our individual interests and party politics aside and did what was best for the future of our state, our children, and our grandchildren. We weren't Democrats or Republicans, Conservative or Liberal, Business or Labor; we were West Virginians.

And now we have another opportunity to join together and show this state and this nation that West Virginia is serious about getting its house in order and becoming an economic force to be reckoned with. It's a truly wonderful day to be a proud West Virginian.

But I'm also putting everyone on notice that while I still plan to roam these great halls frequently during the next 60 days and play an active role in what occurs here, I'm also planning to take this show on the road. I said I wanted to be the state's Chief Salesperson and asked you to give me something to sell, and you did. Now it's my turn to follow through on my end of the deal.

Wherever there is one job on the verge of being lost, I will fight to save it.

Wherever there is one company looking to grow in West Virginia, I will fight to make that growth a reality.

As many of you are aware, there are power companies looking to build clean-coal technology plants somewhere in the east, and I will fight to make that expansion happen in West Virginia.

I can also assure you that as I stand here tonight, there are companies across this state reevaluating their commitment to West Virginia as a result of the unprecedented work done here during the special session. These may be companies that were laying off workers or on the verge of leaving our state completely, but now they're taking another hard look at our economy and the role they can play in it—and may even be considering an expansion of their own. I will fight to help those companies in any way possible.

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Wherever there is a company across the country or around the world that is looking to expand somewhere new, I will fight to convince them to invest right here in West Virginia and bring their good-paying jobs with health care benefits with them.

There will be very few wasted motions, and while West Virginia may be small in size, our passion and determination to succeed will be larger than life. This is my pledge to you.

Welcome to Wild, Wonderful West Virginia: Open for Business!